



U.S. Department of Justice

Southern District of Indiana

United States Attorney

10 West Market Street

(317)226-6333

Suite 2100

Indianapolis, Indiana 46204-3048

TDD (317)226-5438

FAX NUMBERS:

Criminal (317)226-6125

Administration (317)226-5176

Civil (317)226-5027

FLU (317) 226-6133

OCDETF (317)226-5953

March 30, 2005

CONTACT PERSON:

SUSAN W. BROOKS

United States Attorney

(317) 226-6333

FOR IMMEDIATE RELEASE:

**TWO INDIANAPOLIS MEN CHARGED WITH
MAKING FALSE STATEMENTS TO H.U.D.
IN MORTGAGE FRAUD SCHEME**

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that BRADLEY A. WHITE, 40, and MARK ARKENAU, 36, both of Indianapolis, Indiana, were charged today with crimes related to mortgage fraud activities in which they participated in the year 2000. According to the Informations, both WHITE and ARKENAU were employed by Regal Mortgage, an Indianapolis mortgage brokerage which was authorized to originate loans insured by the Department of Housing and Urban Development / Federal Housing Administration.

White and Arkenau –

In order to obtain a federally insured loan, borrowers were required to submit truthful information to HUD regarding their employment, income, and assets. They were also required to make a minimum down payment of 3% of the purchase price to qualify for a HUD insured mortgage, and to advise HUD if they were obtaining gift money from a third party to assist them in the purchase. According to today's charges, both WHITE and ARKENAU falsified borrower information to HUD to assist buyers in obtaining federally insured loans.

WHITE is charged with one count of making false statements to HUD on two loans totaling over \$130,000.00, which resulted in a loss to HUD of over \$80,000.00. WHITE is alleged to have submitted false W-2 forms, false bank account information, false gift letters, and false verifications of employment, rent and insurance to HUD. He is also charged with submitting false settlement statements, Forms HUD-1, showing that buyers were making down payments on the properties when they were not and showing that buyers were receiving gift money to make those down payments when they were not.

ARKENAU is charged with one count of making false statements to HUD on one loan in the amount of approximately \$75,000.00, which resulted in a loss to HUD of just under \$40,000.00. ARKENAU is charged with submitting false W-2 forms, false bank account information, false verification of employment, and a false settlement statement showing that a buyer was making a down payment when in fact he was not.

White and Arkenau –

Today's charges follow an investigation by the Department of Housing and Urban Development - Office of Inspector General, working as part of the Southern District of Indiana Mortgage Fraud Task Force.

According to Assistant United States Attorney Susan Heckard Dowd, who is prosecuting the cases for the government, WHITE faces a maximum possible prison sentence of two (2) years and a maximum possible fine of \$250,000.00. ARKENAU faces a maximum possible prison sentence of one (1) year and a maximum possible fine of \$250,000.00. An initial hearing will be scheduled for each of the defendant before a United States Magistrate Judge in Indianapolis.

The Information is an allegation only, and the defendant is presumed innocent unless and until proven guilty at trial or by guilty plea.

###

20050330.White.wcf.wpd